GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4177
ANSWERED ON:11.08.2016
Exodus of Pilots
Ashok Kumar Shri K.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Air India has hiked the penalty on pilots leaving the airline within five years of joining from Rs.10 lakh to Rs. 50 lakh;

(b) if so, the details thereof;

(c) whether the move is aimed at checking the mass exodus of pilots and ensuring that the Air India recovers the cost incurs on training them;

(d) if so, the details thereof; and

(e) whether all commercial pilots who may join Air India needs to sign a bond and give a bank guarantee amounting to Rs. 50 lakhs and if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) & (b): Selected candidates as Pilot are required to give a Bank Guarantee from a Nationalized Bank of equivalent amount of the training cost. In case, they leave the Company before completion of 5 years of contract, the said Bank Guarantee will be invoked by Air India Limited for proportionate amount. In addition, the training cost will also be recovered from their salary in 60 EMIs.

Candidates would also be required to execute Service Agreement and Surety Bond for Service Agreement to serve the Company for a period of 10 years (Including extended period of Fixed Term Contract). In case, the candidate leaves the Company before completion of 10 years of service, he/she would be liable to pay Air India Limited the sum as inducted in Service Agreement in addition to invocation of the Bank Guarantee (if Valid). The Bank Guarantee and amount of liquidated damages as indicated in the Service Agreement and Surety Bond for Service Agreement shall be Rs.50 Lacs in aggregate for the candidates selected as Trainee Pilot (CPL Holder).

The amount of liquidated damages in respect of candidates joining as Sr. Trainee Pilot (with A-320 Endorsement) is Rs.50 Lacs.

(c) & (d): The said move is aimed to protect the interest of Air India. Air India spends a huge amount, manpower and man-hours to train pilots on its fleet and their training is a continuous process to keep their licenses current. In view of the soaring demand of trained pilots in the market and also to put a deterrent on pilots, Air India has made such change.

(e): Yes, Sir. Details already provided in part (a) & (b) above.